

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF LOCAL TELEPHONE	)	ADMINISTRATIVE
DISCONNECTION POLICIES	)	CASE NO. 334

O R D E R

On April 30, 1990, the Commission, on its own motion, established this case to investigate whether its current policies regarding disconnection of local telephone service for nonpayment of a customer's bill should be modified. As a part of the Order establishing the case, all local exchange companies ("LECs") were required to provide answers to several questions. Question 7 of the Order directed South Central Bell Telephone Company ("SCB"), GTE South Incorporated ("GTE") and Cincinnati Bell Telephone Company ("CBT") to provide an incremental cost study for billing and collection services provided to interexchange carriers.

On June 22, 1990, SCB filed its responses and included as Attachment A the required cost study. GTE filed its responses on June 13, 1990, and made known that it did not have an incremental cost study for billing and collection services available. The Commission will treat GTE's response as a request for waiver. On June 22, 1990, CBT filed a motion for waiver or, in the alternative, extension of time to provide the billing and collection cost study. CBT requested the waiver based upon the

fact that CBT does not currently have the data necessary to perform the study and the assembly of such data would be time consuming, burdensome and expensive. If the waiver was not granted, an extension of 12 months was requested in order to complete the study.


The Commission finds CBT's reasons for not filing a cost study to be sufficient to grant its request for waiver. However, it should be noted that the contribution from billing and collections services may be crucial when considering the reasonableness of disconnection of local telephone service for nonpayment. As previously noted, SCB has filed the required study and there is no reason to believe that other carrier's costs are substantially different than SCB's. Therefore, the Commission will grant the requests for waiver subject to the understanding that SCB's cost study will act as a reasonable surrogate for both GTE and CBT.

The Commission, having considered the motions and being otherwise sufficiently advised, HEREBY ORDERS that the motions for waiver of CBT and GTE are granted.

Done at Frankfort, Kentucky, this 20th day of September, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director